fabulous West Coast and exciting stories about the vast spaces that separated East from West. Hard routes to the land of opportunity were open to adventurous people in the East. Wagon trails to California and the Pacific Northwest were beset with the dangers of blizzards in winter, thirst in summer, and Indian attacks in all seasons of the year. The trip via the Isthmus of Panama, with an overland trek through malarial and pestiferous jungles to board ship on the other side, was a nightmare of suffering.[1] The third route, around "Cape Stiff," was no less dangerous; the long voyage in slow sailing ships to the Cape, the storms encountered there, and the final reach to the California coast deterred all but the bravest. Thus, when the Civil War was over and the rich goal of far western lands was contemplated, a safe rail connection with the new West was eagerly sought.

The Transcontinentals

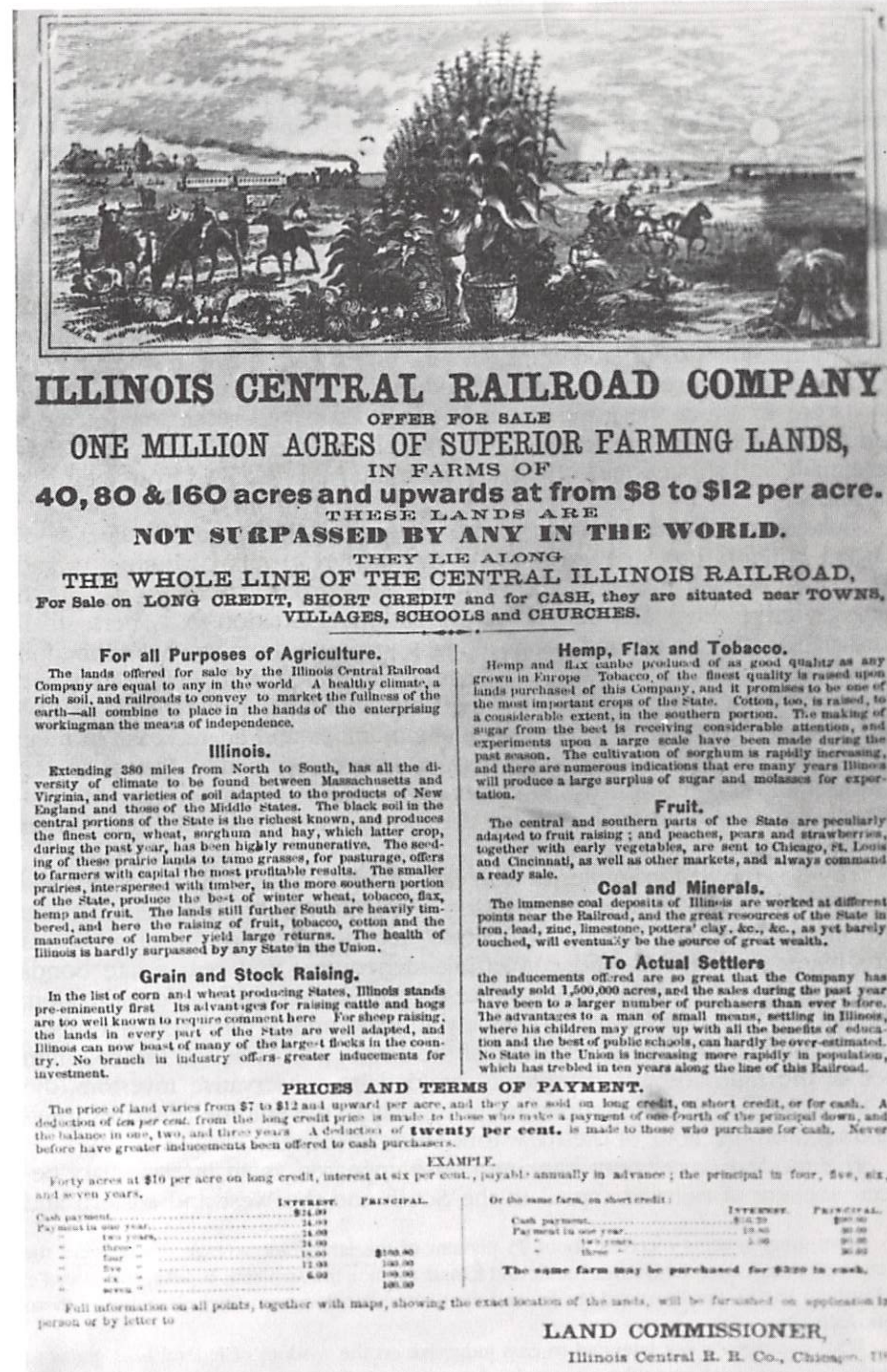
The dream of spanning the continent by rail was almost as old as the railroad itself. The first concrete proposal is attributed to Asa Whitney of New York, a merchant in the China trade, who in 1845 proposed to Congress the construction of a railroad from Lake Michigan to the mouth of the Columbia River. By 1853, Congress was convinced of the feasibility of a road to the West Coast and directed government engineers to survey practical routes. The engineers described five. Years passed before construction began because of rivalry for the eastern terminus of the line. From Minneapolis to New Orleans, cities on the Mississippi River vied for the position of gateway to the West, boasting of their advantages while deprecating the claims of their rivals. The outbreak of the Civil War removed the proponents of the southern routes from Congress, and in 1862 the northern Platte River route through uninhabited country was selected because it was used by the pony express, stages, and freighter wagons.

By the Pacific Railway Act of 1862, Congress granted a charter of incorporation to the Union Pacific Railroad, which was authorized to build a line from Omaha, Nebraska, to the western boundary of Nevada. The Central Pacific, incorporated under the laws of California in 1861, was at the same time given authority to construct the western part of the road from Sacramento to the Nevada border. Due to the uncertainty of the revenues to be derived from the undertaking, the government had to furnish financial assistance in two ways. Ten sections of public land (five alternate sections on each side of the right-of-way) were granted for each mile of track laid.[2] The government agreed fur-

[1] The shorter sea route via the Isthmus could cut the 6–8 month trip around Cape Horn to as little as six weeks. But from Chagres, a squalid eastern port on the Isthmus, to Panama City was a five-day journey by native dugout and muleback, and at Panama travelers might have a long wait before securing passage north. For those who could afford it, the best way to California was by clipper ship, which made the passage around the Horn in 100–110 days.

[2] The land had little or no value without a means of access to it, but everyone knew that it would increase in value after the railroad was built. The fact that the companies had assets that would appreciate, in addition to the prospect of growing revenues, made private investment more attractive.

over



ILLINOIS CENTRAL RAILROAD COMPANY

OFFER FOR SALE

ONE MILLION ACRES OF SUPERIOR FARMING LANDS,

IN FARMS OF

40, 80 & 160 acres and upwards at from $8 to $12 per acre.

THESE LANDS ARE

NOT SURPASSED BY ANY IN THE WORLD.

THEY LIE ALONG

THE WHOLE LINE OF THE CENTRAL ILLINOIS RAILROAD,

For Sale on LONG CREDIT, SHORT CREDIT and for CASH, they are situated near TOWNS, VILLAGES, SCHOOLS and CHURCHES.

For all Purposes of Agriculture.

The lands offered for sale by the Illinois Central Railroad Company are equal to any in the world. A healthy climate, a rich soil, and railroads to convey to market the fullness of the earth—all combine to place in the hands of the enterprising workingman the means of independence.

Illinois.

Extending 380 miles from North to South, has all the diversity of climate to be found between Massachusetts and Virginia, and varieties of soil adapted to the products of New England and those of the Middle States. The black soil in the central portions of the State is the richest known, and produces the finest corn, wheat, sorghum and hay, which latter crop, during the past year, has been highly remunerative. The seeding of these prairie lands to tame grasses, for pasturage, offers to farmers with capital the most profitable results. The smaller prairies, interspersed with timber, in the more southern portion of the State, produce the best of winter wheat, tobacco, flax, hemp and fruit. The lands still further South are heavily timbered, and here the raising of fruit, tobacco, cotton and the manufacture of lumber yield large returns. The health of Illinois is hardly surpassed by any State in the Union.

Grain and Stock Raising.

In the list of corn and wheat producing States, Illinois stands pre-eminently first. Its advantages for raising cattle and hogs are too well known to require comment here. For sheep raising, the lands in every part of the State are well adapted, and Illinois can now boast of many of the largest flocks in the country. No branch in industry offers greater inducements for investment.

Hemp, Flax and Tobacco.

Hemp and flax canbe produced of as good quality as any grown in Europe. Tobacco, of the finest quality is raised upon lands purchased of this Company, and it promises to be one of the most important crops of the State. Cotton, too, is raised, to a considerable extent, in the southern portion. The making of sugar from the beet is receiving considerable attention, and experiments upon a large scale have been made during the past season. The cultivation of sorghum is rapidly increasing, and there are numerous indications that ere many years Illinois will produce a large surplus of sugar and molasses for exportation.

Fruit.

The central and southern parts of the State are peculiarly adapted to fruit raising; and peaches, pears and strawberries, together with early vegetables, are sent to Chicago, St. Louis and Cincinnati, as well as other markets, and always command a ready sale.

Coal and Minerals.

The immense coal deposits of Illinois are worked at different points near the Railroad, and the great resources of the State in iron, lead, zinc, limestone, potters' clay, &c., &c., as yet barely touched, will eventually be the source of great wealth.

To Actual Settlers

the inducements offered are so great that the Company has already sold 1,500,000 acres, and the sales during the past year have been to a larger number of purchasers than ever before. The advantages to a man of small means, settling in Illinois, where his children may grow up with all the benefits of education and the best of public schools, can hardly be over-estimated. No State in the Union is increasing more rapidly in population, which has trebled in ten years along the line of this Railroad.

PRICES AND TERMS OF PAYMENT.

The price of land varies from $7 to $12 and upward per acre, and they are sold on long credit, on short credit, or for cash. A deduction of *ten per cent.* from the long credit price is made to those who make a payment of one-fourth of the principal down, and the balance in one, two, and three years. A deduction of **twenty per cent.** is made to those who purchase for cash. Never before have greater inducements been offered to cash purchasers.

EXAMPLE.

Forty acres at $10 per acre on long credit, interest at six per cent., payable annually in advance; the principal in four, five, six, and seven years.

	Interest.	Principal.
Cash payment	$24.00	
Payment in one year	24.00	
" two years	24.00	
" three "	24.00	
" four "	18.00	$100.00
" five "	12.00	100.00
" six "	6.00	100.00
" seven "		100.00

Or the same farm, on short credit:

	Interest.	Principal.
Cash payment	[illegible]	[illegible]
Payment in one year	[illegible]	[illegible]
" two years	[illegible]	[illegible]
" three "		[illegible]

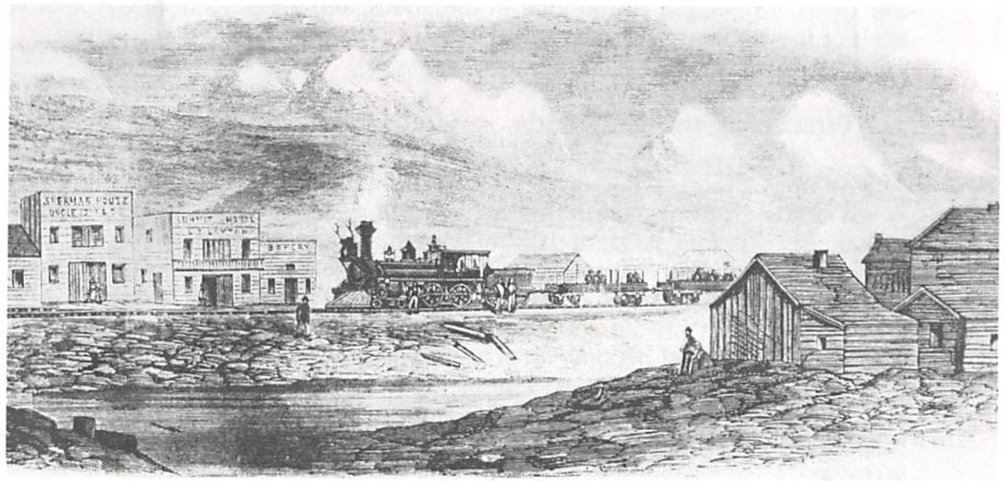
The same farm may be purchased for $320 in cash.

Full information on all points, together with maps, showing the exact location of the lands, will be furnished on application in person or by letter to

LAND COMMISSIONER,

Illinois Central R. R. Co., Chicago, Ill.

Public land granted to the railroads as a subsidy and in turn sold to settlers was a continuing source of capital funds. Ads like this one appeared in city newspapers, luring thousands of Americans and immigrants westward.



Sherman Station, Wyoming Territory, looked like this six months after the completion of the coast-to-coast railroad line.

tinentals. Throughout the midlands, competition for business led to the entry into small towns of two and sometimes even three or four roads, where one could scarcely have done a profitable business.

The Southeast and the Southwest lagged both in railroad construction and in the combination of local lines into through systems. Sparseness of population and war-induced poverty accounted in part for the backwardness of the Southeast, but the competition of coastal shipping was also a deterrent to railroad growth. The only southern transmountain crossing utilized before 1880 was the Chesapeake and Ohio, and, except for the Southern, no main north–south line was completed until the 1890s. In the early 1900s, competitive building was still taking place in Florida. Meanwhile, although the Southwest had been tapped as early as 1873 by lines running from St. Louis and Kansas City the construction of a closely knit railroad network did not begin until the 1890s, although this activity flourished until the eve of World War I.

Because the rate of growth of the railway network varied so in different regions, investment was extended over time. Railroad investment proceeded in "towering waves," cycles varying in length from 10–23 years. Annual investment in railroads rose in peaks in 1873, 1882, 1891, and 1911 and fell to troughs in 1876, 1886, 1897, and 1920.[4] Railroad construction contributed to economic instability and at the same time served as a powerful stimulus to economic growth, accounting for 20 percent of U.S. gross capital formation in

[4]Melville J. Ulmer, *Trends and Cycles in Capital Formation by United States Railroads, 1870–1950,* Occasional Paper 43 (New York: National Bureau of Economic Research, 1954), pp. 25–34.